



July 25, 2014

To: Executive Board

Subject: **July 2014 Legislative Summary**

Recommendation

Receive and file the July 2014 Legislative Summary. There are no recommended positions on bills this month.

Background

A summary of state and federal legislation and its status is attached.

State Legislative Issues:

State legislators began their annual summer recess on July 4. The Legislature will reconvene on August 4 to begin the final push toward the end of this year's session. August 15 will be the final day for action by the Appropriations Committees in each house, with August 31 set as the final day of the 2013-14 session.

The Strategic Growth Council met to begin the process of implementing the Affordable Housing and Sustainable Communities (AHSC) program, an element of the state's recently adopted Cap and Trade expenditure plan. In FY 2014-15, \$130 million was appropriated for this program, and beginning in FY 2015-16, 20 percent of all Cap and Trade funding moving forward will be dedicated to the AHSC program. The Council proposed to delegate the administration of the AHSC program to the Department of Housing and Community Development to provide grants and affordable housing loans for infill and transit-oriented development projects and related infrastructure. Projects must demonstrate how they support greenhouse gas (GHG) reductions through increased accessibility to housing and employment centers via walking, biking, and transit. The Council also previewed the proposed program framework, the role of the Air Resources Board in the AHSC program, eligible uses & project applicants, and the proposed program timeline, including required public meetings.

Federal Legislative Issues:

We received good news from Congress! The House of Representatives passed, by a vote of 367-55, a short-term funding patch for the Highway Trust Fund (HTF). The bill, H.R. 5021, "Highway and Transportation Funding Act of 2014, provides \$10.8 billion to the HTF, sufficient to support the current spending levels of both the Highway and Mass Transit Accounts through May 31, 2015. Additionally, the legislation extends the authorizations for the Federal highway and transit program through the end of May 31, 2015 as well.



The Senate is expected to vote on the House's HTF legislation by the end of July. Senate Majority Leader Harry Reid (D-NV) indicated that he expects to hold votes on the House bill, as well as the Senate Committee on Finance's companion legislation and the Senate Committee on Environment and Public Works' proposal to extend the authorizations for Federal highway and transit programs through the end of the current calendar year. The Senate Committee on Finance's bill provides nearly the same funding level as the House's bill, however, a minor difference in the Senate Finance Committee proposal appears to leave the door open for continued discussions over the length of an extension of MAP-21 (beyond September 30 of this year when the authorization expires), as well as continued discussions over a long-term revenue fix for the Trust Fund.

Should the Senate pass the House bill in its current form, the legislation would then be sent to President Obama for his signature. President Obama expressed support for both the House and Senate bills, and indications are he would sign either variation, should it reach his desk.

Budget Impact

Unable to determine impact of Congressional HTF Bills at this time.

Sincerely,

A handwritten signature in blue ink, appearing to read "David Reyno" followed by a flourish and the word "for".

David Reyno
Director of Government Relations

A handwritten signature in blue ink, appearing to read "Doran J. Barnes" with a large, stylized flourish.

Doran J. Barnes
Executive Director

2014 Legislation Summary

Current as of 7/11/2014

(Amendments and Bills with updated status or requesting action are indicated in **bold**)

Bill No.	Author	Analysis	Potential Impacts	Location	Outside Agency Positions	Recommended Position
AB 2445	Chau	Would specify that a community college district is authorized to enter into a contract for the transportation services described above if a majority of the students of that district, or campus of that district, as appropriate, approve the payment of the fee within the same time period.	This bill would provide greater flexibility for the governing board of community college districts, and more specifically, individual community college campuses, to provide for increased transit services at the discretion of its student body and important to the ongoing success of Foothill Transit's College Pass Program.	Senate Committee on Education	CTA - Support	Support Position Adopted 3/21/2014
SB 11	Pavley/Rubio	Existing law establishes the Alternative and Renewable Fuel and Vehicle Technology Program, administered by the State Energy Resources Conservation and Development Commission to provide, upon appropriation by the Legislature, grants, loans, loan guarantees, revolving loans, or other appropriate measures, for the development and deployment of innovative technologies that would transform California's fuel and vehicle types to help attain the state's climate change goals. AB 8 and SB 11 extends alternative fuel incentive programs including the Carl Moyer and AB 118 programs. These programs, which have been funded by tire fees, DMV registration fees, smog abatement fees, and vehicle plate fees, have provided funds for various projects to increase the usage of alternative fuels and help with the expansion of alternative fuel infrastructure.	The bill's passage would mean funds will continue to be available to assist Foothill Transit and other state transit agencies financially with fleets of natural gas vehicles and the infrastructure needed to maintain them.	Assembly Committee on Transportation	CTA - Support	Support Position Adopted 2/22/2013
SB 556	Corbett	This bill would require public agencies, including public transit systems, to "label" employees and vehicles which are independent contractors or operated by independent contractors with a "NOT A GOVERNMENT EMPLOYEE" or "THE OPERATOR OF THIS VEHICLE IS NOT A GOVERNMENT EMPLOYEE" disclosure.	Foothill Transit along with many transit systems throughout the state utilize independent, outside contractors to provide transit service, such as drivers/operators for buses and rail vehicles. This bill would place a financial burden on both transit systems and the independent contractors in order to meet the disclosure requirement. Furthermore, the bill would potentially have a detrimental impact to public perception, internally and externally. Transit systems aim to provide a sense of inclusiveness for employees and the "nongovernmental employee" disclosure may affect morale among employees by creating a sense of division. Secondly, the disclosure requirement would likely cause confusion to the public. Transit patrons may mistakenly perceive that operators and	Assembly Judiciary Committee	CTA - Oppose	Oppose Position Adopted 7/26/2013

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			vehicles with the "nongovernment employee" disclosure reflects lesser qualifications or impacts public safety.			
SB 1204	Lara	This bill would create a program to fund the development of zero and near zero emission truck, bus, and off-road vehicle and equipment technologies to be administered by the Air Resources Board in conjunction with the California Energy Commission. The bill would provide that the funding for the program would come out of the Greenhouse Gas Reduction Fund (Cap & Trade Auction Funds), and would prioritize projects located in disadvantaged communities.	This bill may provide a new funding source for Foothill Transit electric and CNG buses.	Assembly Committee on Transportation	Metro - Support	Support Position Adopted 4/25/2014
SB 1298	Hernandez	The bill removes specified limitations on the state high-occupancy toll (HOT) lane program, thereby authorizing any regional transportation agency to apply to the California Transportation Commission (CTC) to develop and operate HOT lanes. This bill also deletes the January 15, 2015 sunset on the authority for the Los Angeles County Metropolitan Transportation Authority (LACMTA) to operate HOT lanes on State Highway Routes (SR) 10 and 110 in Los Angeles County, and revise and recast those provisions.	The 10 Freeway HOT Lanes are proving successful and has helped reduce congestion on those lanes allowing our buses to travel more freely.	Assembly Committee on Transportation	Metro - Support	Support Position Adopted 4/27/2014
SB 1433	Hill	This bill will eliminate the sunset date on the design-build authority for transit operators. Additionally, this bill will clarify that a county transportation commission or a regional transportation planning agency, not generally considered a "transit operator," can utilize design-build to construct a transit project, as well as remove cost thresholds for the use of design-build.	Could assist Foothill Transit if we decide to use a design-build process for construction projects in the future.	Assembly Committee on Appropriations	CTA - Supports	Support Position Adopted 6/27/2014
SCA 4	Liu	Existing law under the California Constitution requires the approval of 2/3 of the voters of the city, county, or special district voting on any new or increase of an existing tax. SCA 4 and SCA 8 would provide that the imposition, extension or increase of a special tax by a local government for the purpose of providing funding for local transportation projects requires the approval of 55% of its voters voting on the proposition.	The new voter approval threshold could lead to more transportation and transit money and mean additional funding for Foothill Transit.	Senate Committee on Appropriations	CTA - Support	Support Position Adopted 2/22/2013
SCA 8	Corbett	Existing law under the California Constitution requires the approval of 2/3 of the voters of the city, county, or special district voting on any new or increase of an existing tax. SCA 4 and SCA 8 would provide that the imposition, extension or increase of a special tax by a local government for the purpose of providing funding for local transportation projects requires the approval of 55% of its voters voting on the proposition.	The new voter approval threshold could lead to more transportation and transit money and mean additional funding for Foothill Transit.	Senate Committee on Appropriations	CTA - Support	Support Position Adopted 2/22/2013

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H.R. 2288	Grimm (R, NY) McGovern (D, MA)	The bill establishes permanent parity between qualified, pre-tax and tax-free fringe transit and parking benefits at a maximum of \$220 per month. At the \$220 per month level, the federal fiscal impact is neutral, meaning no additional revenue measures are necessary. The bill also allows for future cost-of-living adjustments to the benefit level.	Would provide transit riders in general and Foothill Transit customers specifically with a tax benefit equal to those who drive their personal vehicles.	House Committee on Ways & Means	APTA - Support	Support Position Adopted 7/26/2013
H.R. 3636	Blumenauer	Our transportation infrastructure is increasingly outdated and inadequate. In 2011, the Federal Highway Administration (FHWA) estimated that over \$70.9 billion worth of repairs are needed merely to maintain safe bridges. Inflation and increased fuel efficiency has led to declining gas tax receipts and the gas tax has lost nearly 40% of its purchasing power since it was last raised in 1993. The decline will continue as cars become more efficient and people drive less. Vehicle miles traveled per capita declined last year for the ninth year in a row. Because Congress has not addressed the Highway Trust Fund's (HTF) insolvency, the fund will be exhausted this summer and states will begin cutting back on projects. To maintain current funding levels, the HTF will need \$100 billion in addition to current tax receipts in the next five years. Failure to act will result in a 30% reduction in federal transportation spending over the next decade. H.R. 3636, "The Update, Promote, and Develop America's Transportation Essentials Act of 2013", phases in a fifteen cent gas tax increase over three years, indexes the gas tax to inflation and then confirms Congress's intention to replace the gas tax with a more equitable, stable source of funding by 2024.	A consistent, reliable and stable federal funding program would allow Foothill Transit and all U.S. transportation agencies and companies to budget for the long term.	House Committee on Ways and Means	APTA - Supports	Support Position Adopted 4/25/2014
S. 1116	Schumer (D, NY)	The bill would establish parity between the commuter and parking benefits at the current level of \$245 per month, but does not include a provision to offset the cost because the author wants to maintain the benefit at current levels.	Would provide transit riders in general and Foothill Transit customers specifically with a tax benefit equal to those who drive and park their personal vehicles.	Senate Committee on Finance	APTA - Support	Support Position Adopted 7/26/2013